

sustainable solution to our national health care needs.

However, that won't be accomplished overnight. In the meantime, there are steps that Congress can and should be taking to develop immediate, if smaller, steps to providing people affordable health insurance coverage options. One such step is to pass legislation that would provide certain groups of individuals the option of buying into Medicare—a program with a proven track record that works. That's exactly what the Medicare Early Access Act does for people age 55 through 64.

As we all know, the baby-boomers are quickly approaching retirement, and health insurance is a major concern. Unfortunately, retiree health benefits have vanished or are quickly disappearing, leaving people with few or no affordable coverage options. A recent employer survey suggests that only 38 percent of large employers offer any type of retiree health benefits. Other recent research shows that 10 percent of the largest employers terminated all subsidized health benefits for future retirees in 2003.

With shrinking retiree benefits and no affordable options available in the individual market, people age 55 through 64 are often uninsured or gravely underinsured. Besides the 3.5 million uninsured between ages 55–64, another 3 million are forced to buy inadequate, overpriced coverage in the individual market. Most near elderly cannot purchase individual coverage because age rating and other underwriting techniques result in excessive premiums. Those that are even offered coverage are often required to pay astronomical deductibles and co-pays, or are severely limited by pre-existing condition exclusions.

In 1965, Medicare was specifically designed to provide coverage for those the market would not insure. Today we have the opportunity to expand on the original purpose of Medicare by providing access to people the market does not adequately cover. The Medicare Early Access Act would reduce the number of uninsured, provide better coverage for the underinsured, and improve the health status of this vulnerable population without harming Medicare or other insurance markets.

That's why the Medicare Early Access Act makes so much sense. It would allow people in this cohort to buy into Medicare and enjoy the exact same benefits available to all other Medicare beneficiaries. Premiums for these new participants would be based on actuarial calculations of the cost of providing services to the population. There would be no effect on the Medicare trust fund because premiums will cover the entire cost of services provided.

To ensure premiums are affordable, the bill provides a 75 percent advanceable, refundable tax credit. Thus, participants would pay a monthly premium equal to 25 percent of the cost of the program—an amount similar to what employed individuals pay for their health benefits.

I am pleased to report that advocacy organizations representing consumers and seniors agree with us. The Medicare Early Access Act has been endorsed by The Leadership Council of Aging Organizations (LCAO) which is a coalition of national nonprofit organizations concerned with the well-being of America's older population and committed to representing their interests in the policy-making

arena. I would like to thank the 27 members of the LCAO who signed a letter in support of the Medicare Early Access Act. The full text of their letter appears at the end of my statement.

In our quest to reduce the number of uninsured Americans, the Medicare Early Access Act, is a great start. This bill would provide affordable, comprehensive coverage to the most vulnerable uninsured who have few, if any, health insurance options in the current marketplace. The system necessary to implement this bill is already in place; all we have to do is agree the uninsured deserve viable coverage options. I look forward to working with my colleagues on both sides of the aisle to enact this proposal.

#### THE MEDICARE EARLY ACCESS ACT BILL SUMMARY

##### ELIGIBILITY

Starting January 2005, individuals age 55–64 who do not have access to coverage under another public or group health plan are eligible to purchase Medicare. Enrollees will receive the full range of Medicare benefits. Participants are not required to exhaust employer-based COBRA coverage before choosing the Medicare buy-in option. At age 65, buy-in participants move into regular Medicare.

In addition, because employers are dropping retiree health benefits at an alarming rate, early retirees who have access to retiree health coverage may also participate, and their employers can wrap around the Medicare benefit.

##### PREMIUMS

Enrollees must pay a premium to receive Medicare coverage. The premium will be set by the Centers for Medicare and Medicaid Services at the actuarial level necessary to cover the full cost of services provided to the buy-in population. The premium will be adjusted annually to ensure its accuracy.

##### TAX CREDIT

Program enrollees receive a 75 percent refundable, advanceable tax credit to offset premium costs. Thus, participants in the Medicare buy-in are only personally responsible for their 25 percent of the monthly premiums. The tax credit is modeled on the payment mechanism created by the Trade Adjustment Assistance (TAA) health care tax credit for displaced workers, which was enacted in 2002.

##### FINANCING

Premiums are deposited in a new Medicare Early Access Trust Fund. Participant premiums and tax credits are transferred to the Early Access Trust Fund to pay for Medicare services, ensuring this new program does not financially affect Medicare.

#### LEADERSHIP COUNCIL OF AGING ORGANIZATIONS, Washington, DC, May 5, 2004.

Hon. SHERROD BROWN,  
Hon. PETE STARK,  
Member of Congress,  
Washington, DC.

DEAR REPRESENTATIVES BROWN AND STARK: The undersigned members of the Leadership Council of Aging Organizations (LCAO) strongly endorse the bill you proposed to help individuals age 55–64 years buy into the Medicare program at an affordable price.

Older Americans who are not yet eligible for Medicare have a difficult time finding affordable health care and in some cases may find that no insurer will cover them at a time in their life when they most need health insurance protection.

Your bill, which combines the efficiency of Medicare's mass market purchasing power with the affordability provided by refundable tax credits, effectively solves one of our nation's toughest uninsured problems.

We wish you success in this important legislative effort, and we will be happy to work with you and your co-sponsors in promoting its passage.

Sincerely,  
AFSCME Retiree Program.  
Alliance for Retired Americans.  
American Association for International Aging.  
American Association of Homes and Services for the Aging.  
American Federation of Teachers Program on Retirement & Retirees.  
American Foundation for the Blind.  
American Public Health Association.  
Association for Gerontology and Human Development in Historically Black Colleges and Universities.

Association of Jewish Aging Services of North America.  
B'nai B'rith International.  
Catholic Health Association.  
FamiliesUSA.  
Gray Panthers.  
International Union, UAW.  
National Asian Pacific Center on Aging.  
National Association for Hispanic Elderly.  
National Association of Professional Geriatric Care Managers.  
National Association of Retired and Senior Volunteer Program Directors.  
National Association of Retired Federal Employees.  
National Association of Senior Companion Project Directors.  
National Association of Social Workers.  
National Caucus and Center on Black Aged.  
National Committee to Preserve Social Security and Medicare.  
National Indian Council on Aging.  
National Senior Citizens Law Center.  
OWL, the voice of midlife and older women.  
Volunteers of America.

#### NEW YORK CITY WATERSHED PROTECTION PROGRAM REAUTHORIZATION

##### SPEECH OF

#### HON. BART STUPAK

##### OF MICHIGAN

##### IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. STUPAK. Mr. Speaker, I misspoke when on May 5, 2004, I identified perchlorate as the contaminant found at Camp Lejeune, North Carolina. The contaminants identified in the drinking water at Camp Lejeune were trichloroethylene and perchloroethylene.

#### THE PYRAMID OF REMEMBRANCE LIVING MEMORIAL

#### HON. STEVEN C. LATOURETTE

##### OF OHIO

##### IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 2004

Mr. LATOURETTE. Mr. Speaker, I was honored to visit Arlington National Cemetery this